



BellSouth Telecommunications, Inc.
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November 22, 2000

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VIA HAND DELIVERY

PROPRIETARY INFORMATION ENCLOSED

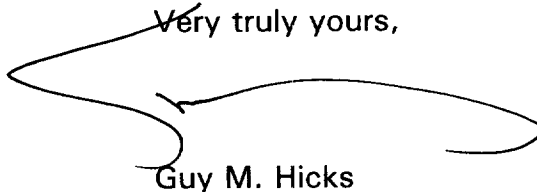
David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

RE: *All Telephone Companies Tariff Filings Regarding Reclassification Of
Pay Telephone Service As Required By Federal Communications
Commission (FCC) Docket 96-439
Docket No. 97-00409*

Dear Mr. Waddell:

Enclosed are fourteen copies of BellSouth's responses to Items No. 1 and 2 of the Staff's First Data Request dated October 27, 2000. These responses contain highly proprietary information. They are being submitted in response to the TRA's order overruling BellSouth's objection to these requests. The responses are being submitted subject to the terms of the Protective Order entered in this proceeding. Please do not post any of the enclosed information on any non-proprietary website. Copies of the enclosed are being provided to counsel of record for the parties to this proceeding subject to the terms of the Protective Order.

Very truly yours,



Guy M. Hicks

GMH:ch
Enclosure

BellSouth Public Communication
STATEMENT OF OPERATIONS TENNESSEE

01/08/98
PUBFIN1900

(000'S)

YEAR TO DATE December 30, 1997

ACCT DESCRIPTION	ACTUAL
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REVENUES	
LOCAL SP	14,525.6
LOCAL WSP	890.9
INTRASTATE SP	434.6
INTRASTATE WSP	1,438.8
INTERSTATE SP	38.7
INTERSTATE WSP	168.1
PER CALL	6,046.2
WSP PAYPHONE SERV	2,049.8
OTHER	0.0
LESS: UNCOLLECT	(1,094.1)
TAX EXPENSE	0.0
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TOTAL REVENUE	26,815.7
DIRECT COSTS	
NETWORK EXP-LOCAL	1,539.2
NETWORK EXP-INTRA	1,237.3
NETWORK EXP-INTER	37.2
NETWORK EXP-OTHER	41.8
RECURRING CHARGES	6,339.5
COMMISSIONS EXP	1,298.7
LABOR-TAM COLLECT	1,136.3
DEM-TAM COLLECT	261.3
CONTRACTED SVCS	142.2
MATERIAL EXPENSE	139.1
REV PROD EXP DEPR	1,408.5
RECONDITION EXP	342.3
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TOTAL DIRECT COSTS	14,113.6
DIRECT MARGIN	10,402.1
PC SUPPORT	1,190.9
REGIONAL SUPPORT	66.1
CORPORATE SUPPORT	1,779.5
-----	-----
TOT COST OF SALES	17,686.2
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GROSS PROFIT	7,427.5
PC SALES EXPENSE	438.0
REGIONAL SALES EXP	47.8
CORP SALES EXPENSE	574.4
-----	-----
PC CONTRIBUTION	6,367.6
ADMINISTRATIVE EXP	2,647.4
-----	-----
OPERATING PROFIT	3,720.3

NOTE: NOT TO BE DISCLOSED OUTSIDE BELL SOUTH EXCEPT UNDER WRITTEN M

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BellSouth Public Communication
STATEMENT OF OPERATIONS TENNESSEE
9414

01/06/99
PUBFIN146

(000'S)

YEAR TO DATE December 28, 1998

ACCT DESCRIPTION	ACTUAL
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REVENUES	
LOCAL SP	19,162.0
LOCAL NSP	1,201.1
INTRALATA SP	493.1
INTRALATA NSP	1,259.5
INTERLATA SP	153.2
INTERLATA NSP	515.1
PER CALL	10,313.2
BUS PAYPHONE SERV	2,482.3
OTHER	0.0

TOTAL REVENUE	35,579.5
DIRECT COSTS	
NETWORK CHARGES	1,688.4
UNCOLLECTIBLES	975.2
TAX EXPENSE	(54.0)
SALE OF RECEIVABLES	137.6
RECURRING CHARGES	8,524.3
COMMISSIONS EXP	4,363.1
LABOR-I&M COLLECT	1,430.3
NEW-I&M COLLECT	205.9
CONTRACTED SVCS	209.7
MATERIAL EXPENSE	414.8
REV PROD EQP DEPR	1,999.0
RECONDITION EXP	739.9

TOTAL DIRECT COSTS	20,635.0

DIRECT MARGIN	14,944.5
PC SUPPORT	1,530.2
REGIONAL SUPPORT	57.1
CORPORATE SUPPORT	2,371.3

TOT COST OF SALES	24,593.6

GROSS PROFIT	10,985.9

MKT & STRAT DEV	478.4
PC SALES EXPENSE	452.1
REGIONAL SALES EXP	110.9
CORP SALES EXPENSE	1,073.7

SALES & MARKETING	2,107.0

PC CONTRIBUTION	8,878.9
ADMINISTRATIVE EXP	2,924.7

OPERATING PROFIT	5,954.1

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BellSouth Public Communication
 STATEMENT OF OPERATIONS TENNESSEE
 9414, 9420

01/04/00
 PUBFIN144

(000'S)	YEAR TO DATE December 27, 1999
ACCT DESCRIPTION	ACTUAL
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REVENUES	
LOCAL SP	16,469.1
LOCAL MSP	787.3
INTRALATA SP	476.1
INTRALATA MSP	890.9
INTERLATA SP	181.8
INTERLATA MSP	570.3
PER CALL	8,281.4
BUS PAYPHONE SER	2,475.5
OTHER	0.0

TOTAL REVENUE	39,042.4
DIRECT COSTS	
NETWORK CHARGES	611.9
UNCOLLECTIBLES	1,276.6
TAX EXPENSE	148.4
SALE OF RECEIV'S	211.9
RECURRING CHARGES	7,281.5
COMMISSIONS EXP	3,917.8
LABOR-1EM COLLECT	1,362.9
REM-1EM COLLECT	215.7
CONTRACTED SVCS	189.0
MATERIAL EXPENSE	348.2
REV PROD EXP DEPR	2,281.4
RECONDITION EXP	475.0

TOTAL DIRECT COSTS	18,283.8

DIRECT MARGIN	11,838.6

PC SUPPORT	1,287.7
REGIONAL SUPPORT	24.6
CORPORATE SUPPORT	1,851.3

TOT COST OF SALES	20,567.4

GROSS PROFIT	9,475.0

MKT & STRAT DEV	217.4
PC SALES EXPENSE	376.5
REGIONAL SALES EXP	128.0
CORP SALES EXPENSE	594.6

SALES & MARKETING	1,316.5

PC CONTRIBUTION	8,164.4

ADMINISTRATIVE EXP	1,662.5

OPERATING PROFIT	6,581.9

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BellSouth Public Communication
 STATEMENT OF OPERATIONS TENNESSEE
 9414, 9420

10/03/00
 PUBFIN140

(000'S)	YEAR TO DATE September 26, 2000
ACCT DESCRIPTION	ACTUAL
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REVENUES	
LOCAL SP	10,010.0
LOCAL MSP	403.7
INTRALATA SP	338.4
INTRALATA MSP	462.9
INTERLATA SP	126.9
INTERLATA MSP	582.7
PER CALL	4,549.4
BUS PAYPHONE SERV	1,801.7
OTHER	0.0

TOTAL REVENUE	18,275.7
DIRECT COSTS	
NETWORK CHARGES	366.5
UNCOLLECTIBLES	1,827.8
TAX EXPENSE	211.8
SALE OF RECEIV'S	114.3
RECURRING CHARGES	4,889.2
COMMISSIONS EXP	2,529.7
LABOR-1AM COLLECT	828.4
BEN-1AM COLLECT	77.3
CONTRACTED SVCS	62.5
MATERIAL EXPENSE	240.9
REV PROD EQ DEPR	1,680.0
RECONDITION EXP	198.4

TOTAL DIRECT COSTS	12,219.7
DIRECT MARGIN	6,055.9
OPERATIONS SUPPORT	1,572.7

TOT COST OF SALES	13,792.5

GROSS PROFIT	4,483.2
MKT & STRAT DEV	51.5
SALES EXPENSE	490.4

SALES & MARKETING	541.9

PC CONTRIBUTION	3,933.4

ADMINISTRATIVE EXP	1,312.6

OPERATING PROFIT	2,620.0

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BELLSOUTH PUBLIC COMMUNICATIONS

\$ = Millions

Unaudited Financial Statements
REVENUES:

	Note 1 YE 97	YE 98	YE 99	Note 2 YTD 00
LOCAL SENT PAID	\$ 134,495.0	\$ 174,115.9	\$147,640.8	\$ 102,093.6
LOCAL NON SENT PAID	27,585.2	63,049.7	55,659.0	41,615.9
INTRALATA SENT PAID	2,879.5	3,098.6	2,824.0	2,363.1
INTRALATA NON SENT PAID	23,200.6	25,583.6	20,566.7	14,572.1
INTERLATA SENT PAID	447.1	1,363.3	1,863.3	1,685.8
INTERLATA NON SENT PAID	1,437.2	11,627.3	15,413.4	16,076.7
PER CALL COMPENSATION	62,303.0	104,200.8	78,219.6	49,489.7
BUSINESS PAY PHONE	13,182.3	16,151.6	16,440.4	13,842.6
OTHER	685.2	1,328.4	573.5	885.5
TOTAL REVENUES	266,215.0	400,519.2	339,200.6	242,625.0

DIRECT COSTS

NETWORK CHARGES	29,299.1	14,774.8	6,733.0	6,341.1
UNCOLLECTIBLES	17,810.3	15,211.7	17,653.9	11,297.3
TAXES	3,806.7	4,197.7	4,720.2	2,348.6
SALE OF RECEIVABLES	0.0	8,775.2	16,665.1	12,409.1
RECURRING LINE CHARGES	68,644.2	85,334.5	66,236.0	57,935.7
COMMISSIONS	48,678.4	75,323.0	77,565.8	58,916.4
LABOR - INSTALLATION, MAINT & COLLECTIONS	12,284.3	15,013.4	14,246.4	9,907.7
BENEFITS - INSTALLATION, MAINT & COLLECTIONS	2,897.3	2,226.9	2,293.0	947.6
CONTRACTED SERVICES	995.3	3,098.7	3,138.3	1,341.8
MATERIALS	913.3	5,133.2	3,427.8	2,960.2
DEPRECIATION	14,689.3	21,622.2	24,335.2	20,995.4
RECONDITIONING	5,176.3	7,231.3	4,350.4	1,922.7
TOTAL DIRECT COSTS	205,194.5	257,942.6	241,365.0	187,323.6

DIRECT MARGIN

	61,020.5	142,576.6	97,835.6	55,301.4
Operations Support	31,044.0	36,533.3	27,962.1	20,611.1

GROSS PROFIT (LOSS)

Mkt & Strat Dev		4,472.8	2,677.6	563.7
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Sales	10,769.7	16,956.8	12,528.5	4,909.3
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Sales & Marketing	10,769.7	21,429.6	15,206.1	5,473.0
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Profit Center Contribution	19,206.9	84,613.7	54,667.5	29,217.3
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Admin	25,245.4	27,860.8	17,009.0	14,614.7
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OPERATING PROFIT	(6,038.5)	56,752.9	37,658.5	14,602.6
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Interest Exp	220.4	920.1	687.3	78.1
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Total Costs	272,473.9	344,686.4	302,229.4	228,100.5
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Earnings Before Tax	(6,258.9)	55,832.8	36,971.0	14,524.5
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Taxes	(2,344.1)	21,424.7	13,791.8	6,066.1
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Net Income (Loss)	\$ (3,914.8)	\$ 34,408.1	\$ 23,179.2	\$ 8,458.4
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Note 1: 4/1/97 thru 12/31/97

Note 2: 1/1/00 thru 10/31/00

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CERTIFICATE OF SERVICE

I hereby certify that on November 22, 2000, a copy of the foregoing document was served on the parties of record, as follows:

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☐ Facsimile
☐ Overnight

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L. Vincent Williams, Esquire
Office of Tennessee Attorney General
425 Fifth Avenue North
Nashville, Tennessee 37243

A handwritten signature in black ink, appearing to read "L. Vincent Williams", is written over a horizontal line. The signature is stylized with a large, sweeping initial "L" and a long, horizontal stroke extending to the right.